



GOVERNOR ARNOLD SCHWARZENEGGER

January 3, 2006

The Honorable Bill Frist
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Harry Reid
Minority Leader
United States Senate
Washington, DC 20510

The Honorable J. Dennis Hastert
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives
Washington, DC 20515

Dear Senator Frist, Senator Reid, Speaker Hastert and Minority Leader Pelosi,

As you begin work on developing the agenda for the upcoming 2006 congressional session I urge you to make passage of legislation that will allow American consumers to import safe prescription drugs from other countries a top priority.

I am concerned by the continuous and steady rise in the cost of prescription drugs and have sponsored legislation to make prescription drugs more affordable for lower income uninsured Californians. While state approaches such as I have proposed are a necessary near term action, they are insufficient. Rather, federal action is necessary to address this increasingly difficult situation for our citizens, employers and governments. I recognize that Congress has already begun the process of reducing prescription drug costs for millions of senior citizens across the country under the new Medicare Part D benefit that went into effect just a few days ago. However, this development does not address the problems facing more than 45 million uninsured Americans (nearly 7 million in California) who have limited access to affordable prescription drugs.

As you know, prescription drug costs continue to grow faster than any other category of health care expenditures. The result is that millions of Americans, small businesses, and governments are forced to devote an ever-increasing percentage of their incomes to pay for prescription drugs. Conversely, residents of Canada, the European Union, and millions of others around the world pay less for their prescription drugs because their governments impose price controls that effectively shift the financial burden of research and development to the United States. As I wrote to then-Secretary of Health and Human Services Tommy Thompson last year, it is unfair and inappropriate that American consumers bear a disproportionate share of the cost of developing new medicines that benefit the international community.

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Since I became Governor, legislators and advocates have been encouraging me to enact legislation making it easier for Californians to import prescription drugs from other countries. I have consistently said I would not sign a bill that encourages foreign importation in violation of federal law. But in my letter to Secretary Thompson, I also urged the Bush Administration to aggressively pursue discussions with our trading partners to achieve fairer pricing of pharmaceuticals in the international marketplace and an equitable distribution of the costs of drug research and development. Sixteen months later, drug prices continue to escalate and there is no evidence that the federal government has been able to bring more equity to the global pharmaceutical marketplace. The Congress must act to allow Americans to import safe prescription drugs.

There are those in California and elsewhere who believe we should impose price controls on prescription drugs or use the importation issue as a covert way to import foreign price controls to the United States. I adamantly oppose efforts to impose price controls on prescription drugs because they will have a chilling effect on the research and development of life saving medicines and harm California's critical biotech industry.

I believe we have an opportunity to use free-market forces to create a more equitable international market and help millions of Americans pay less for their prescription drugs. First, the Congress should demand an end to price controls in foreign countries and vigorously support those pharmaceutical and biotech companies who refuse to sell their products to countries imposing price controls. Second, Congress must pass and send to the President legislation that allows Americans to import prescription drugs from other nations in a manner that protects patient safety and respects intellectual property rights. By simultaneously pushing to eliminate foreign price controls and giving Americans access to more affordable prescription drugs from those same countries, the federal government can promote more affordable medicines for American consumers and a more equitable distribution of the costs of developing the life-saving medicines that benefit us all.

I urge Congress to take action in 2006 to allow for the importation of safe, more affordable medicines. I look forward to working with you in this important effort.

Sincerely,

A handwritten signature in black ink, appearing to read "Arnold Schwarzenegger", with a stylized, cursive script.

Arnold Schwarzenegger

cc: California Congressional Delegation
Health and Human Services Secretary Leavitt
United States Trade Representative Portman